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ABSTRACT

In early 1991, a study of the Job Training Partnership Act (JTPA) education-coordination set-aside program examined how the set-aside program was being implemented in the 50 states and the District of Columbia. It was undertaken as a result of questions raised in public policy debates concerning possible misuse of the program. The concern was that the set-aside was not being used in some states in a manner fully supportive of JTPA goals. Findings indicated that states had a variety of goals in providing activities and services under the 8 percent set-aside. In 39 states, the governor designated one educational agency or more to provide services with the funds. The most common programs provided were literacy, dropout prevention, occupational training, and school-to-work activities. All states used a portion of the 20 percent funds for administration of the 8 percent program. Forty-two states recommended retaining the education-coordination set-aside program. About half the states suggested that changes were needed. Empirical evidence from three states was compared to determine uses of the set-aside. The set-aside programs were found to serve proportionately more dropouts and more "least job ready" individuals than the Title II-A programs. Isolated cases of misuse of funds were found not to outweigh the positive and innovative programs resulting from the flexibility that states have. (Chapter-end appendixes provide additional data and information. Twelve references are provided.) (YLB)

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States' Implementation of the Program

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THE JTPA EDUCATION-COORDINATION SET-ASIDE:

States' Implementation of the Program

Research Report Number 91-03

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National Commission for Employment Policy

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PREFACE

In early 1991 the National Commission for Employment Policy conducted a study of the Job Training Partnership Act (JTPA) education-coordination set-aside program and how it was being implemented in the 50 States and the District of Columbia. The study was undertaken as a result of questions raised in recent public policy debates concerning possible misuses of the program. In general, there were some concerns that the set-aside was not being used in some of the States in a manner fully supportive of JTPA goals.

A draft of this report on the findings of that study served as a basis for the Commission's recommendations on the set-aside program. These recommendations, given below, were presented before the Subcommittee on Employment Opportunities, U.S. House of Representatives in May 1991.

As the report indicates, the current education-coordination set-aside program could be viewed as having two major goals; one is explicit and the other implicit. The explicit goal is to foster closer coordination between the JTPA and education systems through cooperative agreements. The implicit goal of the program is to provide services to the "hardest-to-serve" individuals as a result of an absence of Federal performance standards. The fact that one goal is explicit and the other is implicit may be one of the sources of confusion as to the program's purpose.

Discussions with State and local officials revealed that although Federal performance standards are not required for the education-coordination program, some of the States have established benchmarks for measuring outcomes. These benchmarks, however, are less stringent than the regular Title II-A standards.

The study also found that the 20-percent portion of the set-aside used for coordination activities has allowed the States flexibility in establishing criteria for designing such activities and for including other relevant employment and training programs. However, since the Act does not fully define coordination as it applies to the education-coordination program, a lack of guidance on appropriate coordination activities may be another reason why the program has received some criticism.

The study further revealed that due to the large numbers of economically disadvantaged individuals in need of services, the States are making limited use of the 25 percent of the 80 percent portion of funds that may be used to serve non-economically disadvantaged individuals.

Based on these and other findings contained in this report, the Commission made the following recommendations:

- The current education-coordination program should be retained as authorized under Section 123 of the Job Training Partnership Act.

- The Secretary of Labor, through a technical assistance guidance memorandum, should clarify the Department of Labor's interpretation of "coordination" and explain how the Section 123 funds can be used to further improve coordination among JTPA, education, and other relevant agencies. This explanation should include specific examples of options for allowable activities in the areas of contracting, procurement, technical assistance, and programs. The Secretary of Labor should provide States with full information as to the

standards and requirements that will be used in the Department of Labor's monitoring and oversight activities.

- A percentage of funds should be retained for States that have a need for serving those individuals with serious barriers to employment even though such individuals do not technically meet the JTPA eligibility criteria. However, since most States do not fully utilize the "25-percent window," the percentage available to serve the non-economically disadvantaged should be reduced from 25 percent to 10 percent.

On behalf of the Commission and its staff, I want to thank the many State JTPA, education and Service Delivery Area officials that assisted us with this study.

JOHN C. GARTLAND
Chairman

I. INTRODUCTION AND OVERVIEW OF THE REPORT

This part of the report provides background information on the education-coordination set-aside. Section A describes the eight-percent education-coordination set-aside. Section B gives an overview of several questions that have been raised about possible misuses of the set-aside.

Part II of the report describes the States' uses of the Job Training Partnership Act (JTPA) eight-percent set-aside for education and training coordination grants. In preparing Part II, information was obtained from several sources: State JTPA and education officials in the 50 States and the District of Columbia, officials of the U.S. Department of Labor (USDOL), and a review of State plans, as well as other literature on the subject.

Part III uses newly available information to compare selected characteristics of participants of the eight-percent programs with the characteristics of JTPA's other Title II-A program participants.

Part IV presents the report's conclusions.

It is important to note that there has been very little research on the uses of the education-coordination set-aside, since there have been few data sources available to conduct the empirical work. (The data presented in Part III of this report are not available through Federal reporting requirements.)

A. The JTPA Set-asides

The Job Training Partnership Act provides funds nationwide to approximately 600 SDAs through formula grants administered by the Governors. Title II, part A, provides training services for disadvantaged adults and youth and Title II, part B, provides for summer programs to serve disadvantaged youth. The Act sets aside, from the Title II-A allocation, 22 percent of the funds for each State to spend on certain activities for specific target groups through four separate set-aside programs.(1)

In addition to the eight-percent education coordination set-aside, the other Title II-A programs which earmark funds are:

- The three-percent set-aside earmarked for training programs for economically disadvantaged individuals 55 years of age or older.
- The six-percent set-aside designated for use in providing incentive grants to programs that exceed performance standards, including incentives for serving hard-to-serve individuals and for technical assistance to SDAs.
- The five-percent set-aside for State administrative expenses, including auditing, the development of the Governor's Coordination and Special Services Plan (GCSSP), State Job Training Coordinating Council (SJTCC) administration, pre-service and in-service training, and other State level activities.

Section 123 of the JTPA, authorizes the Governor to provide eight percent of the State's total allocation of JTPA Title II-A funds to any State education agency responsible for education and training.(2)

These funds are further divided into two parts:

- At least 80 percent of the set-aside (6.4 percent of the Title II-A total allocation) must be used to provide education and training services to eligible participants through cooperative agreements between the State education agency(ies), SDAs, and local education agencies (if any).

- Not more than 20 percent of the set-aside (1.6 percent of the Title II-A total allocation) may be used for coordination of education and training services. Such funds may be spent on technical assistance, professional development, job placement, counseling, curriculum development, and other indirect activities aimed at coordinating education and training.(3)

The set-aside may be used by the Governor to:

- facilitate coordination of education and training services for eligible participants;

- provide literacy training to eligible youth and adults, dropout prevention and re-enrollment services to youth, a State-wide school-to-work transition program, or any combination of these activities; and

- provide education and training (including vocational education services) and related services to eligible participants. Such services may include services for offenders, veterans and other individuals whom the Governor determines require special assistance.(4)

In providing the above services to individuals, not less than 75 percent of the 80 percent funds are to be expended for services to economically disadvantaged individuals. Not more than 25 percent of the 80 percent funds may be spent for services to non-economically disadvantaged individuals, including dislocated workers. (The flexibility given the States to serve this group is frequently referred to in the employment and training community as the "25 percent window.")

The uses of the education-coordination set-aside funds differ in several ways from the rest of the Title II-A funds:

- Federal performance standards do not apply to programs funded by the set-aside. States have flexibility in whether or not, and how, they establish goals and/or guidelines for their programs.(5)

- As mentioned above, 25 percent of the States' set-aside funds can be used to serve non-economically disadvantaged individuals. In Title II-A programs, 10 percent of the participants do not have to meet the eligibility criteria.(6)

- The JTPA Title II-A spending caps -- 70 percent on training, 30 percent maximum on administration and support services of which not more than 15 percent can be spent on administration -- do not apply. In the set-aside programs, there are no administrative caps within the 20 percent which can be spent on coordination. There are also no caps on the administration or support services costs allowable within the 80 percent portion.

- While the other Title II programs have no matching requirement, the education-coordination set-aside has a matching requirement for the 80 percent portion. The State education agency or agencies or the local education agency receiving "80 percent" funds must match these funds dollar for dollar (100 percent). The match can include use of other Federal funds (excluding JTPA funds) if permissible by the statutes governing the funds. Matching funds may include "direct costs of employment and training services provided by State or local programs, for example, vocational or adult education programs, cash, equipment, facilities, services and supplies funded from other sources, such as attendance-based formula aid, college full-time equivalency and high school equivalency aid and other State categorical grants, as well as in-kind contributions."(7) If no cooperative agreement is reached between JTPA and education, the set-aside funds become available to the Governor for use for coordinating activities which have been described in the State plan (mandated under Section 121).

B. Questions about the Education-Coordination Set-aside

Strong legislative mandates presently exist in the Job Training Partnership Act and the Carl D. Perkins Vocational Education Act requiring coordination between education and job training providers. Not only are the two groups required by the Congress to coordinate, State agencies must direct the use of the education-coordination set-aside for this purpose.(8)

In recent public policy debates, several questions have been raised about possible misuses of the education-coordination set-aside. In general, the issue is that the set-aside is not being used in some States in a manner fully supportive of JTPA goals. Examples of this criticism are found in reports of the National Commission for Employment Policy (NCEP), as listed below.

- The funds are sometimes used as a substitute for State and local education and training funds rather than as a complement to them.(9)

- Although the purpose of this set-aside is to encourage coordination between education and training, in some States the funds are simply turned over to State education agencies, which thereafter make little attempt to coordinate their use with JTPA administrators. Moreover, once the funds have been turned over to the State's Department of Education, JTPA officials often have little control over their use.(10)

- In some States the 20-percent allotment which is to be used for coordination activities between JTPA and the education agencies has been spent primarily for administrative costs by the Department of Education.(11)

These same reports indicate that part of the problem may be that the Act does not fully define "coordination" as it applies to this set-aside. As a result, there may be confusion in some States as to the legitimate uses of the money.(12) Furthermore, there has been little guidance to the States on how the Congress and the U.S. Department of Labor intended the funds to be used and meshed with other Federal, State, and local employment and training related programs.(13)

A similar concern was raised in a report not issued by the NCEP. This author indicated that other than encouraging coordination between job training services and education agencies, the congressional intent of this set-aside is unclear: "the underlying problem with the 8-percent funds ... is that federal legislation does not specify intended uses for the 8-percent funds ..."(14)

The author offered suggestions for remedying the problem. For example, if the Congress intended that these funds be used to foster stronger institutional relationships between vocational education and JTPA -- or between JTPA and any other agency, including welfare-to-work and the Employment Service -- then it would be appropriate for Congress to specify this intent and include legislative provisions to further it. In addition, Federal regulations should be developed so that the programs are jointly operated by SDAs, educational institutions and States. Additionally, the U.S. Department of Labor should be required to collect information about successful models funded by this set-aside and share this information with other programs.(15)

While there are concerns regarding this set-aside, there is also evidence that the funds have been used in ways that promote the goals of JTPA. In addition to the information presented in this report, evidence from NCEP hearings on Hispanics in JTPA (held in 1989) indicated that some States are using the set-aside in ways that are innovative and important, such as English-as-a-Second-Language (ESL) programs, dropout prevention, and basic skills remediation.(16)

Second, witnesses at the NCEP hearings on Hispanics in JTPA indicated that States used the funds to serve individuals who were less likely to be served with regular II-A monies because they require lengthy training and are not easily placed. The absence of Federal performance standards was said to be the major reason why programs funded under this set-aside serve a "harder to serve" clientele.(17)

At the NCEP sponsored Federal, State, and local seminars on improving coordination in government-sponsored public assistance programs, participants indicated that the set-aside program gives the Governors flexibility in determining their States' needs for services and for improving coordination between employment and training programs.

SECTION I ENDNOTES

1. National Commission for Employment Policy, The Job Training Partnership Act, September 1987, p. 5.

2. National Commission for Employment Policy, Getting 100 Percent Results from the Eight Percent Education Set-aside Under the Job Training Partnership Act, Research Report 85-06, April 1985, p. 7.

3. National Commission for Employment Policy, April 1985, p. 7.

4. Subcommittee on Employment and Productivity of the Committee on Labor and Human Resources, A Compilation of Job Training and Related Laws, December 1986, pp. 21-22.

5. National Commission for Employment Policy, April 1985, p.7.

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7. National Alliance of Business, Business Currents: Technical Report, Technical Report Number 2, February 3, 1984, p. 12.

8. National Center for Research in Vocational Education, Facts and Findings, Volume 4, Number 4, Spring 1986, p. 1.

9. National Commission for Employment Policy, Training Hispanics: Implications for the JTPA System, Report Number 27, January 1990, p. 12.

10. National Commission for Employment Policy, September 1987, p. 121.

11. National Commission for Employment Policy, September 1987, p. 121.

12. National Commission for Employment Policy, September 1987, p. 121.

13. National Commission for Employment Policy, January 1990, p. 12.

14. Norton Grubb, et al, Order Amidst Complexity: The Status of Coordination among Vocational Education, Job Training Partnership Act, and Welfare-to-Work Programs, National Center for Research in Vocational Education, January 1990, p. 63.

15. Grubb, p. 63.

16. National Commission for Employment Policy, January 1990, p. 12.

17. National Commission for Employment Policy, January 1990, p. 44.

II. USES OF THE EDUCATION-COORDINATION SET-ASIDE: Reports from the States

This part of the report describes the States' responses on their uses of the set-aside to facilitate coordination and provide services to eligible individuals. Section A describes States' goals. Section B describes the uses of the education-coordination set-aside funds and the services provided. The trends in uses of the funds are described in Section C. How JTPA coordinates with the education system in the use of funds is explained in Section D. Section E presents the States' views on the need for changes in the program. (A discussion of SDAs' views regarding the education-coordination set-aside is included in Appendix II. A.)

A. State Goals

One of the first steps in using the education-coordination set-aside funds is to set goals which reflect the State's understanding of the flexibility available concerning services that can be offered to target groups.

The authors' canvas of the States revealed a variety of goals in providing activities and services under the eight-percent set-aside. Among the most frequently mentioned State goals were:

- to enhance coordination and promote linkages among local education agencies (LEAs), Service Delivery Areas (SDAs), and Private Industry Councils (PICs);
- to provide literacy and basic skills to participants as participants have more success in other training activities when this component is provided first;
- to prevent dropouts and help adults obtain a General Equivalency Degree (GED);
- to ensure that education has the fullest opportunity to be part of the planning process in local areas for leveraging resources that education contributes to employment and training for youth and adults;
- to seek creative and innovative partnerships with education; and,
- to assist the hardest-to-serve populations.

B. Uses of Eight-Percent Funds and Services Provided

Designated agency(ies) and allocation of funds

In 39 of the States the Governor has designated one or more educational agency(ies) to provide services with the eight-percent set-aside funds. Forty-four States allocate their funds by Title II-A formula, by Request For Proposal (RFP), or by a combination of the two. The majority of these funds flows locally to K through 12 school systems, postsecondary schools/colleges, and SDAs.

Programs provided and persons served with 80 percent funds

The most common programs provided with education-coordination funds are literacy (basic skills), dropout prevention, occupational training, and school-to-work activities. Literacy programs are offered in nearly all States and dropout prevention programs are offered in over 60 percent of the States.

According to State officials, the absence of Federal performance standards for the education-coordination set-aside program enables services to be provided to economically disadvantaged "at risk" youth and adults who are the hardest to serve and would not likely be served under other Title II-A programs. In most States, these individuals include high school dropouts or potential dropouts, welfare recipients, and/or offenders. For example, 35 States specifically mentioned serving high school dropouts or potential dropouts; 15 States specifically mentioned providing services to welfare recipients; and 10 States mentioned serving offenders. Generally, it appears that more youth than adults are being served under the eight-percent program. These reports by State officials are corroborated by the data in Part III of this report.

How 80 percent funds are matched

As noted earlier, the education set-aside program requires 100 percent matching grants by the State or local education agency or agencies for the 80 percent portion used to provide services to individuals. In approximately half of the States, the required match is made from a combination of in-kind contributions (equipment, space, and personnel) and local, State, and Federal cash contributions. (Among the sources of Federal cash contributions were Carl D. Perkins Vocational Education Act, Adult Education Act, Vocational Rehabilitation, and Pell grants.)

About 30 percent of the States appeared to receive only an in-kind match, while approximately 14 percent appeared to receive cash only. Three States, or 6 percent of the States, did not receive matching funds because of the absence of an agreement on uses of the education set-aside funds. As a result, in these States the eight-percent funds became available to the Governor for coordination activities described in the Governors' Coordination and Special Services Plan.

Use of the 25 percent window

As noted earlier, 25 percent of the 80 percent funds may be used to serve non-economically disadvantaged individuals. However, many of the States do not use the 25 percent window because there are so many economically disadvantaged individuals that they focus entirely on that group. Those States which do use the 25 percent window noted that while those individuals served do not "technically" meet the JTPA Title II eligibility criteria they still have serious barriers to overcome before they are employable. (Examples provided by the States include offenders, drug abusers, and dislocated workers who are in need of occupational training and remedial services.)

Utilization of the 20 percent funds

All States utilize a portion of the 20 percent funds for the administration of the eight-percent program. Forty-eight States specifically mentioned using a portion of the 20 percent funds for coordination activities. Each of these States has an eight-percent coordinator who is responsible for assuring that JTPA and education work together in implementing the program.

States utilize the 20 percent funds in a variety of ways. For example, 38 States indicated that a portion of these funds were used for evaluating and monitoring the

education-coordination program; 34 States for staff training and development; and 28 States for the development of the curriculum for the education-coordination program. Four States specifically mentioned using these funds with the 80 percent portion for other activities such as dropout prevention programs, establishing learning centers, literacy programs, and alternative school projects.

C. Trends in Uses of the Education-Coordination Funds

Over the past few years the most noticeable changes in the use of the 80 percent of the education-coordination funds have been: (a) a shift in emphasis from providing occupational skills training to providing assessment and literacy/basic skills for at-risk youth and adults, and (b) a shift in emphasis toward serving more youth than adults.

During the past few years there have been no major changes regarding the usage of the 20 percent coordination funds. However, six States indicated one or more of the following changes: an improved State agency oversight and technical assistance to PICs and SDAs; an increased emphasis on assessment, testing, literacy and basic skills; and a more focused coordination in high school dropout prevention programs.

D. How JTPA Coordinates with Education in the Use of Funds

In 33 States, the Private Industry Councils are involved in the planning, approving and monitoring of the education set-aside programs in their local areas. In eleven of these States the PICs prioritized both the populations to be served and the services provided to participants with the eight-percent funds.

There is a range in the types of coordination activities involving education and JTPA at both the State and local levels. Coordination activities include: written formal agreements and contracts at the State and local level; eight-percent advisory councils at the State level; planning groups at the local level; and, JTPA staff located within the education agency.

Because services are provided by educational entities, education's general administrative and policy making role (both State and locally) is significant in the majority of the States. Educators are represented on the State Job Training Coordinating Council (SJTCC), on similar statewide groups, or on PICs that determine policy for the use of JTPA funds in each Service Delivery Area. A majority of the States has education representatives on the SJTCCs and/or PICs.

E. States' Views on the Need for Changes in the Education-Coordination Set-aside Program

Based on All States

Forty-two States recommended retaining the education-coordination set-aside program. Among the reasons given for retaining the program were:

- The absence of Federal performance standards has enabled States to assist the hardest to serve individuals, including some persons who would not receive services under other Title II-A programs.

- States have more flexibility in the types of programs they can offer and are therefore able to provide long-term training to clients with multiple barriers to employment.

- The program has helped to forge coordination linkages between education and JTPA and provides a way for leveraging resources.

Among the reasons given by the 9 States who suggested eliminating the program were: it may not be meeting congressional intent; and if it were replaced with a coordination grants program that includes other agencies, as well as the education agencies, States would have more flexibility in the use of these funds.

If the education-coordination set-aside program were eliminated, the 9 States that recommended elimination reported that the following changes would occur: JTPA funds would flow directly to the SDAs; the education system, in order to receive funding, would become more involved in JTPA Title II-A programs; and other State agencies would continue to provide services currently funded out of the eight-percent program with other JTPA Title II funds and other funding sources.

While most States were generally pleased with the education-coordination set-aside program, 14 States cited the small amounts of money available, and 10 States alluded to the matching requirement as obstacles to providing services with the 80 percent portion of the education-coordination funds.

Of all the States, about half reported that there were no changes needed in the set-aside program. If a change was needed, the one most mentioned was the elimination of the matching requirement. Those officials that recommended eliminating the matching requirement were concerned about the difficulties in generating a match and the burdensome paperwork required once a match is made. Most States that received all or mostly cash contributions were in favor of the matching requirement. Of particular concern to the States were in-kind matches that generate little, if anything, toward total resources.

Other States recommended the following changes:

- Clarification of the Act's language and regulations to more clearly define coordination.

- More stringent requirements so that education agencies can make a real connection between eight-percent funds and other funding sources administered by education agencies.

- The need to improve accountability and specificity in the use of education-coordination funds.

- The emphasis on coordination should be expanded beyond education to include other State and local agencies such as welfare, the Employment Service, corrections, and vocational rehabilitation.

Sixteen States specifically cited the need for more leadership and direction and pro-active technical assistance from the U.S. Department of Labor in the following areas: contracting and procurement, interpretation of the regulations, clarification of the proper uses of funds, and monitoring and oversight activities.

Based on the 28 States where education administers the eight-percent program

The above views regarding the need for change in the education-coordination set-aside program might be seen as

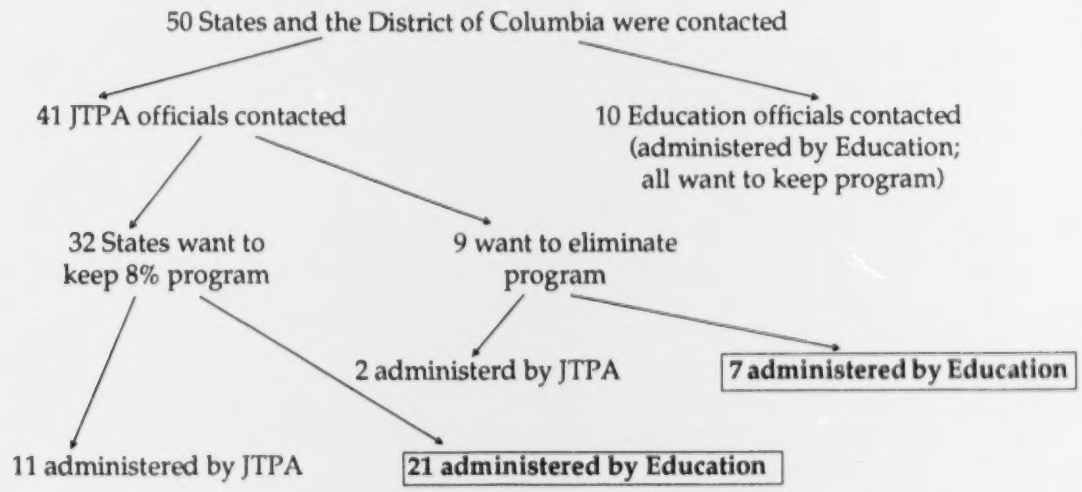
self-serving since several of the individuals that were contacted are those who administer the program. The discussion in this section focuses on the reports of JTPA officials who do not administer the eight-percent program. It distinguishes between JTPA officials who favor keeping the set-aside program and those who favor its elimination.

The following diagram indicates: (a) the number of States contacted (50, plus the District of Columbia); (b) whether the contact with the State was with a JTPA official (41) or with an education official (10); (c) how these officials responded with regard to keeping or eliminating the program (32 of the 41 JTPA officials recommended keeping the program; 9 recommended eliminating the set-aside; all 10 education officials recommended retaining the program); and (d) whether the programs in those States were administered by JTPA or an education agency or agencies.

Of the 32 JTPA officials that recommended keeping the program, the set-aside was administered by JTPA in 11 States and by an education agency in 21 States. Of the 9 JTPA officials that recommended that the program be eliminated, the program was administered by JTPA in 2 States and by an education agency in 7 States.

A comparison was made of the responses from the 21 State JTPA officials who wanted to retain the program with the responses from the 7 State JTPA officials who wanted to eliminate the program. As noted above, all JTPA officials were in States where the program is administered by Education. (The boxed branches of the diagram.)

The analysis of these responses from the two groups was inconclusive for most of the issues discussed above. For example, there appeared to be little or no difference between the two groups as to: how the 80 percent funds were allocated and how they flowed locally; the types of services provided and who received services; and uses of the 25 percent window. Furthermore, there appeared to be no discernable differences between the two groups as to: the effects of the absence of Federal performance standards on who was being served and the types of services provided; the uses of the 20 percent funds for coordination activities; the extent of involvement by the PICs with the program; and, education's administration and policy making role in operations of all JTPA titles.


50 States and the District of Columbia were contacted
41 JTPA officials contacted
10 Education officials contacted (administered by Education; all want to keep program)
32 States want to keep 8% program
9 want to eliminate program
2 administerd by JTPA
7 administered by Education
11 administered by JTPA
21 administered by Education

The analysis did, however, reveal differences in the following areas:

- Of those 21 States where the program is administered by education and State JTPA officials want to retain the program, 86 percent (or 19 States) had made changes in the way the 80 percent funds have been used in the past several years. In contrast, only 55 percent (or 5 of 9) of those States which recommended eliminating the set-aside made changes in the use of the 80 percent funds.

- Those same 21 State officials were less likely to identify any further changes needed in the use of the 80 percent funds than were those officials which recommended eliminating the program.

- State officials which recommended that the program be eliminated were somewhat more likely to have some concerns about the matching requirement than those State officials that wanted to retain the program. Of the 7 State officials that recommended the elimination of the program, officials in 5 States (or 71 percent) specifically referred to the burdensome paperwork exercise involved with the match, particularly with in-kind matches. Only 3 of the 21 State officials (or 14 percent) that wanted to retain the program had such concerns about the matching requirement.

APPENDIX II. A
Service Delivery Areas' Views Regarding the Education Coordination Set-Aside

Service Delivery Areas' Views Regarding the Education Coordination Set-Aside

Discussions were held with Service Delivery Area (SDA) Directors in 16 of the States to see if their views of the eight-percent set-aside program paralleled those of the State officials. Of the SDAs contacted, education administers the program in about 60 percent of the States and JTPA in about 40 percent. Of particular concern was whether the information from the States could be verified at the local level and whether or not local officials agreed with State officials' views regarding retention of the current program.

As noted in Part II, the canvas of the State officials revealed differences among some of the States regarding various aspects of the program. This was also found among SDAs, even within the same State. In some SDAs, for example, the emphasis was on serving high school dropouts while in other SDAs the emphasis was on serving adults with basic skills deficiencies. Some SDAs do intake for eligibility determination; in other SDAs it may be done by contract with the Employment Service or done by the education agency providing the services. Also, in some SDAs, the Private Industry Councils (PICs) are very involved in program planning and review while in other SDAs there is little PIC involvement.

The SDAs confirmed what the States had indicated regarding the services provided with the set-aside funds, targeted groups served, involvement of the PICs, and the degree of coordination between JTPA and education in the implementation and operation of the program. The SDAs also confirmed the limited extent to which the 25% window is used, the need for additional guidance from the Department of Labor in some States, and the obstacles experienced in operating the program.

The major difference between the views of the State officials and the views of the SDAs sampled concerned the retention of the education-coordination set-aside. Proportionally more States favored retention of the set-aside program than did the SDAs.

There were two reasons why a proportionately smaller number of the SDAs recommended retaining the set-aside. The first reason is the SDAs' lack of involvement with the program since the program is State administered. The second reason is the reduced amount of SDAs' allocations when eight percent of the total JTPA State allocation is retained at the State level for state-wide programs.

Of those SDAs contacted that wanted to retain the set-aside program, several reasons were given for their views:

- The lack of Federal performance standards allows SDAs to serve the most in need,
- A desire to offer different and innovative programs, and
- A desire to provide longer-term training to clients with multiple-barriers to employment.

III. USES OF THE JTPA EDUCATION-COORDINATION SET-ASIDE: Empirical Evidence from Three States

This part of the report presents newly available information on selected characteristics of participants of programs funded under the education-coordination set-aside for three States. The data are for Program Years (PY) 86 and 87 for two States and for PY 88 for the third one. For purposes of comparison, similar information is provided for the States' regular JTPA Title II-A program participants. These data are available to the National Commission for Employment Policy (NCEP) as a by-product of its project on the feasibility of using Unemployment Insurance (UI) wage-record data to evaluate JTPA programs.(1) They are not available through Federal reporting requirements.

A. Program Outcomes

This discussion is limited to the characteristics of the programs' participants. Although it would be desirable to compare outcomes of participants in the set-aside programs with those in the Title II-A programs, such data for the set-aside are not available. Because there are no Federal reporting requirements on measurable goals or outcomes for programs funded under the set-aside, there are no readily available data which would permit comparisons of actual outcomes with State goals.

Data from UI wage records, which are available, are not useful in this context for two reasons. First, as will be discussed below, a substantial proportion of the adult participants in the set-aside programs are offenders. Because these persons may have been in prison during the program and after completing it as well, they would not necessarily have UI wage records for the relevant periods.

Second, performance standards for the set-aside have not been specified at the Federal level in a manner similar to those of Title II-A programs. For example, the programs have not had standards such as Entered Employment Rate or Wage at Placement. As a result, the programs may have had goals that differed from those in Title II-A. In some States the programs could have emphasized receipt of a General Equivalency Diploma (GED), proficiency in English, or dropout prevention -- without tying these outcomes to labor market outcomes as in Title II-A. Moreover, States could have varied among themselves, and over time, in the specific goals they sought to achieve.

B. State Data on Program Participants

While the three States were not chosen based on criteria specific to this report, their data are important to present. They provide objective evidence of States' uses of the set-aside. They independently corroborate statements about the uses of the set-aside that were made by witnesses at the NCEP's hearings and by State and local officials, which were discussed in Part II of this report.

Due to confidentiality agreements, it is not possible to identify the States. However,

some information about their characteristics is provided in order to have a context for understanding the characteristics of their participants in programs funded under both the set-aside and other Title II-A programs.(2)

One State is largely rural. Less than half its population lived in metropolitan areas in the mid-1980s (the period for which the JTPA program data are reported). According to the 1990 Census of Population, its population is predominantly non-Hispanic white: 7 percent are black and fewer than one percent are Hispanic. By comparison, 12 percent of the national population are black and 9 percent are Hispanic.

This State's economy has been in part distinguished by the mining industry. In the mid-1980s the proportion of its non-agricultural work force that was in this industry was more than three times the national average. By comparison, the shares of its non-agricultural work force in the service industry, and in the finance, insurance, and real estate industry were below the national average; and the proportion of non-agricultural workers who were in manufacturing was the same as the national average.

Although the second State had a more urban population than the first one in the mid-1980s, the state was still less urban than the nation as a whole. About two-thirds of its population lived in metropolitan areas, compared to the national average of 76 percent. The State's population is predominantly non-Hispanic white: under 8 percent are black and under 2 percent are Hispanic.

Compared to the nation, this second State had a relatively large share of its nonagricultural work force in manufacturing -- over 25 percent versus 19 percent nationally in the mid-1980s. Also compared to the nation, it had smaller than average shares in both the service industry, and in the finance, insurance, and real estate industry.

The third State is highly urban: over 80 percent of its population lived in metropolitan areas during the mid-1980s. Also, this State has a demographically diverse population compared to the other two; in fact, its diversity closely approximates that of the nation. Almost 15 percent of its population are black; almost 8 percent are Hispanic; and close to 3 percent are of Asian origin (the same proportion as the nation as a whole).

The industrial structure of this State was very similar to that of the nation as a whole in the mid-1980s. The proportions of its non-agricultural work force that were in mining, manufacturing and services were very similar to national averages. Only the share of its work force that was in the finance, insurance and real estate industry was slightly above the national average.

C. Characteristics of Program Participants

The characteristics of participants in programs funded under the education-coordination set-aside and Title II-A are compared in two ways. First, the separate characteristics are examined: for example, participants' status as a single head of household; recipient of Aid to Families with Dependent Children (AFDC); long-term unemployed; offender; and school dropout.

These particular characteristics were selected because they are typically used to identify persons as "hard to serve."(3) Also, the program participants were divided between youth and adults so that comparisons can be made with youth and adult participants of Title II-A programs.

In addition, participants in the two programs are classified according to "job readiness" indexes. These indexes are discussed later.

According to the data for the three States, the set-aside programs served proportionately more dropouts than the Title II-A programs. This was found among both adults and youth. In addition, there was an increase in the proportion of dropouts served between PY 86 and PY 87, especially among youth. Highlights of the characteristics of the States' participants are given in Tables 1 and 2; Appendix III.A contains additional information on their characteristics.

Table 1 shows the proportions of dropouts served in the States under both the Title II-A and the education-coordination programs.

Table 1
Proportions of Adult and Youth School Dropouts Served in Title II-A and Education-Coordination Set-Aside Programs in Three States in PY 86, PY 87, and PY 88

States/Years	Proportions of Dropouts in	
	Title II-A	Set-Aside
Adults		
State 1		
PY 86	34 %	60 %
PY 87	34	69
State 2		
PY 86	26	56
PY 87	28	59
State 3		
PY 88	24	39
Youth		
State 1		
PY 86	24 %	39 %
PY 87	25	59
State 2		
PY 86	29	36
PY 87	32	52
State 3		
PY 88	26	36

Source: Appendix A, Tables A1-A10

- In the first State 60 percent of the adults served in the set-aside program were dropouts in PY 86; in PY 87, almost 70 percent were dropouts. By comparison, in both years one third of the State's Title II-A adult participants were dropouts.

  The proportion of youth dropouts served in the set-aside program in this State rose from 39 percent in PY 86 to almost 60 percent in PY 87. In contrast, the proportion of youth dropouts served under Title II-A remained the same: about 25 percent in both program years.

- In the second State, in both program years, close to 60 percent of the adult participants in the set-aside program were dropouts, compared to one quarter in the Title II-A program.

  This State also increased the proportion of youth dropouts in its set-aside program: while in PY 86 a little over a third of the youth were dropouts, over half were dropouts in the next year. In comparison, dropouts were close to 30 percent of Title II-A youth participants in both years.

- The third State had a similar emphasis on dropouts. They were almost 40 percent of the adults in the set-aside program, compared to almost 25 percent in the Title II-A program. Among youth, slightly over one-third of the set-aside program participants were dropouts while about one-quarter of the Title II-A participants were dropouts.

Table 2 shows other characteristics of the adult program participants. It highlights some of the ways the States differed in terms of whom they chose to serve in the education-coordination set-aside programs.

Specifically, in the first State in PY 86 about three quarters of the adult participants in the set-aside programs were men and three-quarters were offenders. By comparison, fewer than 10 percent of the State's Title II-A adult participants were offenders. (The State had a similar, though less pronounced, focus on adult offenders in PY 87 and among youth in both program years, as shown in Appendix Tables A1-A4).(4)

In serving adults, the second State emphasized services to women, AFDC recipients, single heads of households, and persons who were long-term unemployed. As shown in Table 2, in PY 86 women were over two-thirds of the set-aside program participants, but about half of the Title II-A participants. Also, AFDC recipients were almost 30 percent of the set-aside program participants while they were fewer than 20 percent of the Title II-A participants. [In PY 87 the State continued its focus on women (as well as dropouts), but did not continue its emphasis on AFDC recipients, single heads of households, and the long-term unemployed, as shown in Tables A5-A6.]

In providing services to adults in its set-aside program, the third State emphasized women, single heads of households with dependents, and recipients of AFDC. For example, two thirds of the participants were women and over half were AFDC recipients. In comparison, slightly over half of the Title II-A adult participants were women and about one quarter were AFDC recipients.

Table 2
Proportions of Adults Served in Title II-A and Education-Coordination Set-Aside Programs in Three States in PY 86, and PY 88 by Selected Characteristics

States/Years	Proportions of Participants in	
	Title II-A	Set-Aside
Adults		
State 1/PY 86		
Men	43 %	74 %
Offenders	6	76
State 2/PY 86		
Women	52	68
AFDC Recipients(a)	17	29
Single Heads of Households	30	42
Long-Term Unemployed(b)	59	65
State 3/PY 88		
Women	54	66
AFDC Recipients(a)	27	51
Single Heads of Households	30	46

(a) AFDC recipients are recipients of Aid to Families with Dependent Children.
(b) Long-Term Unemployed are individuals who were not employed in a UI-covered job during any of the 4 quarters prior to program enrollment.
Source: Appendix A, Tables A1-A10.

D. Job Readiness Indexes

In order to compare participants of the set-aside and Title II-A programs by combinations of characteristics, two "job readiness" indexes for adults were developed. The indexes are described in detail in Appendix III.B.

In brief, one is an index developed by the General Accounting Office (GAO).(5) It places individuals in one of three job-readiness categories -- most job ready, least job ready, and intermediate. In broad terms, participants are in one of the three categories depending upon how many of the following characteristics they have:

- Recent work experience
- High school graduate
- Receiving AFDC or General Assistance
- Non-Hispanic White
- Head of household with dependents (for women only)

An alternative index was developed for this report in order to test how sensitive the findings might be to the particular characteristics included in a job readiness index. There are four categories of job readiness in this index: most job ready, least job ready, and two intermediate categories. Participants are in one of the four categories depending upon how many of the following characteristics they have:

- Recent work experience;
- High school graduate;
- Not an offender;
- Not on AFDC, General Assistance, or Refugee Assistance.

Table 3 presents the distribution of the set-aside and Title II-A participants across the various categories of job readiness for the two indexes. (Similar tables for the individual states are given in Appendix III.B.) This table shows that regardless of the index used, the set-aside program serves proportionately more "least job ready" individuals than the Title II-A programs. The set-aside programs also serve proportionately fewer "most job ready" individuals.

According to the alternative index, for example, of the set-aside program participants, 17 percent were in the least job ready category, while 6 percent of the Title II-A participants were in this category. Also, 11 percent of the set-aside program participants were in the most job ready category, compared to almost 30 percent of the Title II-A participants.

Although the data on which this section is based are limited to the policy choices made by three States, they confirm the States' and SDAs' reports about the education-coordination set-aside, as discussed in Part II:

- The mix of participants served by the set-aside is a "harder to serve" group than that in other Title II-A programs.
- The programs under the set-aside emphasize services to dropouts, and especially among youth, this emphasis increased over time.
- States differ among themselves, and over time, in the particular groups they target for the set-aside.

Table 3
Adult Participants in Title II-A and Education-Coordination Set-Aside Programs Classified According to Two Job Readiness Indexes(a)

Index	Title II-A Participants	Set-Aside Participants
GAO Index		
Total Percent	100	100
Most Job Ready	36	35
Intermediate	49	44
Least Job Ready	15	21
Alternative Index		
Total Percent	100	100
Most Job Ready	30	11
Intermediate - 1	40	32
Intermediate - 2	24	41
Least Job Ready	6	17

(a) The data combine the three States and the Program Years described in the text.

APPENDIX III.A
Selected Characteristics of Participants in Title II-A and Education-Coordination Set-Aside Programs for Three States

Table A1
Selected Characteristics of Adults in JTPA Title II-A and Education-Coordination Set-Aside Programs State 1 for PY 86(a)

Characteristic	Title II-A	Set-Aside
Average Age	33 years	31 years
Percent Female	57%	26%
Percent White	82	58
Percent Black	17	41
Percent Hispanic	(b)	(b)
Percent Unemployed 15 of 26 Weeks Before Enrollment	64	40
Percent Offender	6	76
Percent Single Head of Household with Dependents	na	na
Percent Receiving AFDC	13	7
Educational Background:		
Percent Student	(b)	(b)
Percent Dropout	34	60
Percent High School Graduate	52	35
Percent with more than 12 years of education	14	7

(a) Adults are persons 22 years of age or older.
(b) Less than 1 percent.
na - not available

Table A2
Selected Characteristics of Adults in JTPA Title II-A and Education-Coordination Set-Aside Programs State 1 for PY 87(a)

Characteristic	Title II-A	Set-Aside
Average Age	33 years	32 years
Percent Female	55%	48%
Percent White	83	77
Percent Black	16	22
Percent Hispanic	(b)	(b)
Percent Unemployed 15 of 26 Weeks Before Enrollment	58	40
Percent Offender	8	43
Percent Single Head of Household with Dependents	na	na
Percent Receiving AFDC	13	20
Educational Background:		
Percent Student	(b)	(b)
Percent Dropout	34	69
Percent High School Graduate	52	26
Percent with more than 12 years of education	15	5

(a) Adults are persons 22 years of age or older.
(b) Less than 1 percent.
na - not available

Table A3
Selected Characteristics of Youth in JTPA Title II-A and Education-Coordination Set-Aside Programs State 1 for PY 86(a)

Characteristic	Title II-A	Set-Aside
Average Age	18 years	18 years
Percent Female	48%	33%
Percent White	83	82
Percent Black	17	18
Percent Hispanic	(b)	0
Percent Unemployed 15 of 26 Weeks Before Enrollment	31	18
Percent Offender	6	30
Percent Single Head of Household with Dependents	na	na
Percent Receiving AFDC	15	10
Educational Background:		
Percent Student	50	49
Percent Dropout	24	39
Percent High School Graduate	23	11
Percent with more than 12 years of education	3	1

(a) Youth are persons between 16 and 21 years of age.
(b) Less than 1 percent.
na - not available

Table A4
Selected Characteristics of Youth in JTPA Title II-A and Education-Coordination Set-Aside Programs State 1 for PY 87(a)

Characteristic	Title II-A	Set-Aside
Average Age	18 years	18 years
Percent Female	50%	43%
Percent White	79	86
Percent Black	21	14
Percent Hispanic	(b)	0
Percent Unemployed 15 of 26 Weeks Before Enrollment	25	23
Percent Offender	5	23
Percent Single Head of Household with Dependents	na	na
Percent Receiving AFDC	12	16
Educational Background:		
Percent Student	49	28
Percent Dropout	25	59
Percent High School Graduate	22	14
Percent with more than 12 years of education	4	(b)

(a) Youth are persons between 16 and 21 years of age.
(b) Less than 1 percent.
na - not available

Table A5
Selected Characteristics of Adults in JTPA Title II-A and Education-Coordination Set-Aside Programs State 2 for PY 86(a)

Characteristic	Title II-A	Set-Aside
Average Age	32 years	34 years
Percent Female	52%	68%
Percent White	76	74
Percent Black	21	24
Percent Hispanic	2	2
Percent Unemployed 15 of 26 Weeks Before Enrollment	59	65
Percent Offender	10	3
Percent Single Head of Household with Dependents	30	42
Percent Receiving AFDC	17	29
Educational Background:		
Percent Student	(b)	(b)
Percent Dropout	26	56
Percent High School Graduate	54	25
Percent with more than 12 years of education	20	19

(a) Adults are persons 22 years of age or older.
(b) Less than 1 percent.

Table A6
Selected Characteristics of Adults in JTPA Title II-A and Education-Coordination Set-Aside Programs State 2 for PY 87(a)

Characteristic	Title II-A	Set-Aside
Average Age	32 years	35 years
Percent Female	49%	63%
Percent White	79	74
Percent Black	18	24
Percent Hispanic	2	1
Percent Unemployed 15 of 26 Weeks Before Enrollment	55	44
Percent Offender	9	5
Percent Single Head of Household with Dependents	28	30
Percent Receiving AFDC	14	13
Educational Background:		
Percent Student	(b)	(b)
Percent Dropout	28	59
Percent High School Graduate	53	29
Percent with more than 12 years of education	20	12

(a) Adults are persons 22 years of age or older.
(b) Less than 1 percent.

Table A7
Selected Characteristics of Youth in JTPA Title II-A and Education Coordination Set-Aside Programs State 2 for PY 86(a)

Characteristic	Title II-A	Set-Aside
Average Age	19 years	18 years
Percent Female	47%	47%
Percent White	69	79
Percent Black	29	20
Percent Hispanic	2	1
Percent Unemployed 15 of 26 Weeks Before Enrollment	54	59
Percent Offender	6	12
Percent Single Head of Household with Dependents	10	7
Percent Receiving AFDC	15	17
Educational Background:		
Percent Student	33	53
Percent Dropout	29	36
Percent High School Graduate	31	9
Percent with more than 12 years of education	7	2

(a) Youth are persons between 16 and 21 years of age.

Table A8
Selected Characteristics of Youth in JTPA Title II-A and Education-Coordination Set-Aside Programs State 2 for PY 87(a)

Characteristic	Title II-A	Set-Aside
Average Age	19 years	18 years
Percent Female	46%	46%
Percent White	73	79
Percent Black	25	18
Percent Hispanic	2	3
Percent Unemployed 15 of 26 Weeks Before Enrollment	52	52
Percent Offender	6	10
Percent Single Head of Household with Dependents	10	8
Percent Receiving AFDC	13	12
Educational Background:		
Percent Student	28	38
Percent Dropout	32	52
Percent High School Graduate	33	9
Percent with more than 12 years of education	7	1

(a) Youth are persons between 16 and 21 years of age.

Table A9
Selected Characteristics of Adults in JTPA Title II-A and Education-Coordination Set-Aside Programs State 3 for PY 88(a)

Characteristic	Title II-A	Set-Aside
Average Age	33 years	33 years
Percent Female	54%	66%
Percent White	48	57
Percent Black	39	36
Percent Hispanic	11	5
Percent Unemployed 15 of 26 Weeks Before Enrollment	56	62
Percent Offender	7	4
Percent Single Head of Household with Dependents	30	46
Percent Receiving AFDC	27	51
Educational Background:		
Percent Student	1	1
Percent Dropout	24	39
Percent High School Graduate	52	42
Percent with more than 12 years of education	23	17

(a) Adults are persons 22 years of age or older.

Table A10
Selected Characteristics of Youth in JTPA Title II-A and Education-Coordination Set-Aside Programs State 3 for PY 88(a)

Characteristic	Title II-A	Set-Aside
Average Age	18 years	18 years
Percent Female	52%	49%
Percent White	34	53
Percent Black	48	39
Percent Hispanic	12	6
Percent Unemployed 15 of 26 Weeks Before Enrollment	32	37
Percent Offender	6	7
Percent Single Head of Household with Dependents	11	14
Percent Receiving AFDC	28	33
Educational Background:		
Percent Student	39	43
Percent Dropout	26	36
Percent High School Graduate	29	19
Percent with more than 12 years of education	5	2

(a) Youth are persons between 16 and 21 years of age.

APPENDIX III. B
Construction of the Job Readiness Indexes

Job Readiness Index of the General Accounting Office

In its job readiness index the General Accounting Office (GAO) classified people as most job ready, intermediate, or least job ready using a sequence of steps. As seen below, the final step differed somewhat between men and women.

First, people were differentiated by whether or not they had recent work experience. Persons were considered to have recent work experience if they had either worked 7 of the 13 weeks prior to entering JTPA or 13 or more of the 26 weeks prior to program entry. Persons were considered to be without recent work experience if they had worked fewer than 7 of the 13 weeks prior to program entry and fewer than 13 of the 26 weeks prior to program entry.

Among those with recent work experience, the individuals who had all, or all but one, of the following characteristics were determined to be most job ready:

- High school graduate
- Not on Aid to Families with Dependent Children (AFDC) or General Assistance (GA)
- Non-Hispanic White
- Not a female single parent (for women only)

Men who had fewer than two of the first three characteristics were placed in the intermediate category. Women who had fewer than three of the four characteristics were placed in the intermediate category.

Among individuals who did not have recent work experience, those who had all, or all but one, of the following characteristics were determined to be least job ready.

- Not high school graduate
- On AFDC or GA
- Black/Hispanic
- Female single parent (for women only)

Men who had fewer than two of the first three characteristics were placed in the intermediate category. Women who had fewer than three of the four characteristics were placed in the intermediate category.

An Alternative Job Readiness Index

An alternative job readiness index was developed for this report to test the sensitivity of findings to alternative job readiness indexes. It differs from the GAO index both in the characteristics of "job readiness" that are included and in the methodology used to construct it.

In terms of the characteristics in the alternative index, it includes participants' status as "offender." Data on this characteristic were not available to the GAO, but are available to the NCEP through its multi-state project matching UI and JTPA data.

In addition, the alternative index excludes the participants' race/ethnicity and their status as a single head of a family. The race/ethnicity characteristic was excluded for two reasons. First, after taking in account other background characteristics, it is not clear how useful participants' race/ethnicity is as a predictor of their job readiness, although it is a useful predictor of the amount of money they earn when employed. One reason why GAO includes this characteristic relates to a finding in its background work as the GAO developed its index: statistical analyses showed that being black was a predictor of lower earnings.*

The second reason for excluding participants' race/ethnicity is the fact that not all the States for which data on the set-aside are available have sizeable minority-group populations, as noted in the text. Having relatively few blacks or Hispanics (black or white) available to be served would reduce the proportion of participants in the States' least job ready categories. This would suggest that the States were serving relatively few of the least job ready, when in fact the size of the category would in part be reflecting the demographic mix of the population.

Also, status as a single head of family was excluded for reasons similar to that for race/ethnicity. It is not clear how useful this characteristic is as a predictor of "job readiness" after taking into account participants' other characteristics, especially their status as recipient of AFDC. The GAO's background analysis did not show this characteristic to be a statistically significant predictor of women's earnings. (The characteristic was not included in the analysis of men's earnings.) *

The methodology used to construct the alternative index differs from that of the GAO in several ways. First, the alternative index does not differentiate between men and women. Second, recent work experience is defined as employment in 15 of the 26 weeks prior to program entry. Finally, recent work experience is treated in the same fashion as individuals' other characteristics, rather than as an initial way of "sorting" people as in the GAO index.

Participants are considered most job ready if they have all of the following four characteristics:

- Recent work experience

* General Accounting Office, June 1989, Appendix IV.

- High school graduate
- Not an offender
- Not on AFDC, GA, or Refugee Assistance

Participants are in the category "Intermediate-1" if they have three of the four characteristics; they are in "Intermediate-2" if they have two of the four characteristics. Participants are classified as least job ready if they have one or none of the four characteristics.

Table B1
Adult Participants in Title II-A and Education Coordination Set-Aside Programs Classified According to Two Job Readiness Indexes in State 1 for PY 86 and PY 87(a)

Index	Title II-A Participants	Set-Aside Participants
GAO Index		
Total Percent	100	100
Most Job Ready	36	46
Intermediate	62	48
Least Job Ready	2	6
Alternative Index		
Total Percent	100	100
Most Job Ready	23	4
Intermediate - 1	44	32
Intermediate - 2	28	48
Least Job Ready	5	16

(a) Adults are persons 22 years of age or older.

Table B2
Adult Participants in Title II-A and Education-Coordination Set-Aside Programs Classified According to Two Job Readiness Indexes in State 2 for PY 86 and PY 87(a)

Index	Title II-A Participants	Set-Aside Participants
GAO Index		
Total Percent	100	100
Most Job Ready	34	33
Intermediate	59	51
Least Job Ready	7	16
Alternative Index		
Total Percent	100	100
Most Job Ready	27	17
Intermediate - 1	42	34
Intermediate - 2	24	33
Least Job Ready	7	16

a) Adults are persons 22 years of age or older.

Table B3
Adult Participants in Title II-A and Education-Coordination Set-Aside Programs Classified According to Two Job Readiness Indexes in State 3 for PY 88(a)

Index	Title II-A Participants	Set-Aside Participants
GAO Index		
Total Percent	100	100
Most Job Ready	38	19
Intermediate	49	53
Least Job Ready	13	27
Alternative Index		
Total Percent	100	100
Most Job Ready	35	15
Intermediate - 1	36	28
Intermediate - 2	23	37
Least Job Ready	7	21

a) Adults are persons 22 years of age or older.

SECTION III ENDNOTES

1. John Baj and Charles E. Trott, A Feasibility Study of the Use of Unemployment Insurance Wage-Record Data as an Evaluation Tool for JTPA: Report on Project's Phase I Activities, Research Report Number 90-02, National Commission for Employment Policy, Washington, D.C., January 1991.

2. Sources for the data are as follows: data on the proportion of the population that lives in metropolitan areas come from the U.S. Bureau of the Census, Statistical Abstract of the United States, 1987, 107th Edition. The data on employment by industry come from Bureau of Labor Statistics, Employment and Earnings, Volume 35, Number 5, (May 1988); and Volume 36, Number 1 (January 1989). The data on the States' racial/ethnic composition come from the 1990 Census of Population.

3. General Accounting Office, Job Training Partnership Act: Services and Outcomes for Participants with Differing Needs, HRD-89-52, June 1989.

4. The State of Ohio also targets a portion of its 8-percent funds on ex-offenders. Employment and Training Reporter, "JTPA Aid is Limited by Pressure to Meet Standards, Clients' Need for Job," Volume 22, Number 40 (June 19, 1991), MII Publications, Washington, D.C., pp. 866-867.

5. General Accounting Office, June 1989.

IV. CONCLUSIONS

Based on the information contained in this report, the authors' conclusions are as follows:

- The isolated cases of misuse of education-coordination funds which may occur in some States do not outweigh the positive and innovative programs that have resulted from the flexibility that the States have under Section 123 to coordinate education and training programs.
- The absence of Federal performance standards allows the States to use the 80 percent portion of the set-aside to serve those economically disadvantaged individuals who are the very hardest to serve and who may be out of the reach of other Title II programs because of the performance standards attached to them.
- Many States have established their own benchmarks or goals for measuring outcomes among these harder to serve individuals.
- The "25 percent window" for serving non-economically disadvantaged, while not used extensively by the States, has been of great benefit to persons not technically eligible who, nevertheless, have serious barriers to becoming employable.
- Some States are in need of clarification of the program with regard to the U.S. Department of Labor's interpretation of "coordination" and how Section 123 funds can be used to further improve coordination among JTPA, education, and other relevant programs.

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